



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

WATER

IN THE MATTER OF THE PETITION OF)
GORDON'S CORNER WATER COMPANY)
FOR APPROVAL OF A PURCHASED)
WATER ADJUSTMENT CLAUSE)
PURSUANT TO N.J.A.C. 14:9-7.1, ET SEQ.

ORDER ADOPTING INITIAL
DECISION/STIPULATION

BPU DKT. NO. WR06010048
OAL DKT. NO. PUC00674-2006S

(SERVICE LIST ATTACHED)

BY THE BOARD:

On January 23, 2006, Gordon's Corner Water Company (Petitioner or Company), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities (Board) pursuant to N.J.A.C. 14:9-7.1, et seq., seeking approval to implement a Purchased Water Adjustment Clause (PWAC), with respect to increased purchased water expense experienced by Petitioner. Petitioner obtains a significant portion of the water needed to meet its overall water supply needs through water purchase contracts with the Marlboro Township Municipal Utilities Authorities (MTMUA), and United Water Matchaponix (Matchaponix), Inc., and through a water allocation lease with the Township of Aberdeen (Aberdeen). This petition reflects increased purchased water costs from the MTMUA. Petitioner's proposed rate increase would have resulted in total company PWAC revenues of \$304,833 or 3.42%.

The Stipulation of Settlement agreed to by the Parties to this proceeding proposes an overall increase of \$304,051 or 3.41% over current revenues.

BACKGROUND/PROCEDURAL HISTORY

Petitioner is a public water utility that provides water service to approximately 14,400 customers in certain portions of the Townships of Manalapan and Marlboro in Monmouth County.

Petitioner's last base rate case was filed with the Board on September 17, 2003, in BPU Docket No. WE03090714 and was resolved by means of a stipulation, which was approved by the Office of Administrative Law and subsequently adopted by the Board by Order dated May 27, 2004. This stipulation contained the required base data for future PWAC filings by Petitioner, and the foregoing data was used by Petitioner in developing the PWAC adjustment proposed in the present matter.

In accordance with paragraph 14 of the stipulation, it was agreed that Petitioner's purchased water expense level was \$3,158,574 based upon Petitioner paying the following rates, per thousand gallons, to its suppliers: \$2.93587 to the MTMUA; \$2.55 to Matchaponix; and \$1.17 to Aberdeen. The total volume of purchased water that was used in establishing Petitioner's base costs was 1,227,530 million gallons.

On December 9, 2005, the MTMUA notified petitioner that it was increasing its rates for water sales to Petitioner, effective January 1, 2006. The MTMUA previously increased its rates to Petitioner, effective July 1, 2004. As a result of the MTMUA's current and prior increases, the rate payable by Petitioner for water purchases from the MTMUA is now \$3.2163 per thousand gallons. The prior MTMUA rate was \$2.93587 per thousand gallons.

The MTMUA purchases the water it supplies to Petitioner from Middlesex Water Company (Middlesex), and the increases in its rates to Petitioner are attributable to increases in Middlesex's rates. The increase in Middlesex's rates were approved by the Board by Orders dated December 8, 2005, in BPU Docket No. WR05050451 and May 27, 2004, in BPU Docket No. WR03110900.

On January 31, 2006, the Board transferred the Company's purchased water adjustment clause request to the Office of Administrative Law (OAL) as a contested case, pursuant to N.J.S.A. 52:14f-1 to 13 and N.J.S.A. 52:14 B-1 to 15. The matter was assigned to Administrative Law Judge (ALJ) Douglas H. Hurd.

A pre-hearing conference was held before ALJ Hurd on April 27, 2006, by telephone, at which time dates for a public hearing in Petitioner's service area and evidentiary hearings were scheduled.

A public hearing was held on June 20, 2006, at the Manalapan Township Municipal Building in Manalapan Township, Monmouth County, New Jersey. No customers or members of the public were present and no written statements from the public were placed in the record.

Subsequent to the public hearing, the Parties, consisting of the Company, the Division of the Ratepayer Advocate (RPA) and Board Staff (Staff) engaged in settlement negotiations. As a result of these discussions the Parties have reached a stipulation of settlement on all issues.

ALJ Hurd issued his Initial Decision in this matter recommending adoption of the stipulation executed by the Parties, finding that the Parties had voluntarily agreed to the settlement and that the settlement fully disposes of all issues and is consistent with the law.

STIPULATION

As more fully set forth in the attached Stipulation of Settlement¹, the Parties agreed that:

- a. Additional revenues in the amount of \$304,051 over current rate revenues are required to enable Petitioner to recover its increased purchase water costs (Settlement paragraph 13).
- b. In order to recover the additional revenues specified in the attached Exhibit A, an initial PWAC of \$0.18849 per thousand gallons is necessary (Settlement paragraph 14).
- c. The Stipulation includes only those deferred water purchase costs incurred from February 1, 2006 to August 15, 2006 and not costs incurred prior to the date the petition was filed (Settlement paragraph 15).
- d. These revenues are necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers (Settlement paragraph 16).
- e. Exhibit B attached to the stipulation is the new tariff sheet conforming to the stipulation and reflects the new PWAC rate agreed upon by the Parties. The new PWAC rate will become effective on such date as the Board shall direct (Settlement paragraph 17).
- f. As a result of the rate adjustment stipulated herein, a typical customer with a 5/8-inch meter, and an average consumption of 28,500 gallons per quarter will see their quarterly bill increase from \$131.87 to \$137.25 an increase of \$5.38 or 4.1% (Settlement paragraph 18).
- g. Petitioner will file true-up schedules with the Board, in accordance with N.J.A.C. 14:9-7.3(c) within 45 days after the PWAC stipulated to herein has been in effect for one year.
- h. Petitioner coordinated with the MTMUA, upon receiving notice of the rate increase requested by Middlesex, to review the basis of the proposed increase by Middlesex. The MTMUA intervened and actively participated in the Middlesex rate filings to oppose the proposed increases to ensure that Petitioner's interest were effectively represented (Petitioner is not a direct customer of Middlesex (Settlement paragraph 20)).

¹ Cited paragraphs referenced are in the settlement document. This is only a summary, the full settlement document controls, subject to the Board's findings and conclusions contained herein.

DISCUSSIONS AND FINDING

The Board having reviewed the Initial Decision and the Stipulation of Settlement, FINDS that the Parties have voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board FINDS the Initial Decision and the Stipulation to be reasonable, in the public interest and in accordance with the law. The Board HEREBY ADOPTS the Initial Decision and the Stipulation of Settlement as its own, incorporating by reference the terms and conditions, as fully set forth at length herein, subject to the following:

- a. The PWAC shall be set to recover an increase in revenue in the amount of \$304,051 over current revenues.
- b. The rate per thousand gallons to be reflected on the Company's PWAC rate schedule 1A, as reference in the attached Exhibit A, shall be a PWAC rate of \$0.18849 per thousand gallons.
- c. The Stipulation shall include only those deferred water purchase costs incurred from February 1, 2006 to August 15, 2006, and not costs incurred prior to the date the petition was filed.
- d. The additional revenues of \$304,051 are necessary to ensure that Petitioner shall continue to provide safe, adequate and proper water service to its customers.
- e. A typical residential customer with a 5/8-inch meter, with average consumption of 28,500 gallons per quarter would receive a quarterly increase of \$5.38 or 4.1%.
- f. In accordance with the provision of N.J.A.C. 14:9-7.3 (c) the Petitioner shall file with the Board, not later than 45 days after the adjustment clause has been in effect for one year, PWAC true-up schedules in connection with this proceeding. Copies of the true-up schedules shall be served upon all Parties to the current proceeding.
- g. The Company has contested the costs associated with the purchased water costs in accordance with N.J.A.C. 14:7-4 (a) 8. The Company shall continue to contest costs associated with purchased water costs to ensure that Petitioner and its customers receive the most reasonable rates.


The Board HEREBY ACCEPTS the tariff page designated as Purchased Water Adjustment Clause Charge Rate Schedule 1A Original Sheet No. 40.

The effective date of this Order is as dated below:

DATED: 8/18/06


BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

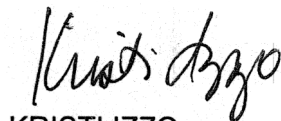

FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

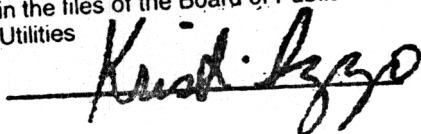

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



I/M/O Petition of Gordon's Corner Water Company for
Approval of a Purchased Water Adjustment Clause
Pursuant to N.J.A.C. 14:9-7.1 ET SEQ
BPU Docket No. WR06010048

SERVICE LIST

Arlene Pasko, DAG
Anne M. Shatto, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101

Doug Kleinfield, Esq.
Kleinfield & Kleinfield
219 South Street
New Providence, NJ 07974

Paul Flanagan, Esq.
Debra Robinson, Esq.
Division of the Ratepayer Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

CMS
BGSLOW
RPA
NKG.

J. Quirko
WES (2)

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW
BOARD OF PUBLIC UTILITIES
NEWARK, N.J.

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 674-06

AGENCY DKT. NO. WR06010048

**IN THE MATTER OF THE GORDON'S
CORNER WATER COMPANY, INC.**

Douglas R. Kleinfeld, Esq., for Gordon's Corner Water Company, petitioner
(Kleinfeld & Kleinfeld, attorneys)

Debra F. Robinson, Esq., Assistant Deputy Ratepayer Advocate appearing for
Division of the Ratepayer Advocate (Seema M. Singh, Esq., Ratepayer
Advocate, attorney)

Anne Marie Shatto and Arlene Pasko, Deputies Attorney General, for the
Board of Public Utilities (Zulima V. Farber, Attorney General of New
Jersey, attorney)

Record Closed: July 14, 2006

Decided: July 18, 2006

BEFORE DOUGLAS H. HURD, ALJ:

This matter was transmitted to the Office of Administrative Law (OAL) on
February 23, 2006, for determination as a contested case, pursuant to N.J.S.A. 52:14B-
to -15 and N.J.S.A. 52:14F-1 to -13

The parties have agreed to a settlement and have prepared a settlement
agreement indicating the terms thereof, which is attached and fully incorporated herein.

have reviewed the record and the settlement terms and **FIND:**

- 1 The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures.
- 2 The settlement fully disposes of all issues in controversy and is consistent with the law.

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1, and that the settlement should be approved. I approve the settlement and therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded

hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

July 18, 2006
DATE

Douglas H. Hurd
DOUGLAS H. HURD, ALJ
Receipt Acknowledged:

7/05/06
DATE

Korinnel Hurd
BOARD OF PUBLIC UTILITIES

Mailed to Parties:

DATE

OFFICE OF ADMINISTRATIVE LAW

/mh

KLEINFELD & KLEINFELD
Counselors at Law

219 SOUTH STREET
NEW PROVIDENCE, NEW JERSEY 07974

(908) 508-0800

TELEFAX (908) 508-0555

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OFF 5 OF 7
JULY 4 LAW

July 13, 2006

BY FEDERAL EXPRESS

Hon. Douglas H. Hurd
Office of Administrative Law
Quaker Bridge Plaza - Building 9
Quaker Bridge Road, CN049
Mercerville, NJ 08625

Re: I/M/O the Petition of Gordon's Corner Water Company for
Approval of a Purchased Water Adjustment Clause
BPU Docket No. WR06010048
OAL Docket No. PUCRS 00674-20068

Dear Judge Hurd:

Enclosed please find fully executed Stipulation in the above matter. If the Stipulation meets with your approval, please issue an Initial Decision at your earliest convenience. Thank you for your courtesies in the matter.

Respectfully yours,


Douglas R. Kleinfeld

DRK/jt
enc.

cc: Debra F. Robinson, Esq
Arlene Pasko, DAG
Dante Mugrace
David Ern

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

Re a
7-14-06
lrm

IN THE MATTER OF THE PETITION OF : Agency Ref. No. WR06010048
GORDON'S CORNER WATER COMPANY : OAL Docket No. PUC00674-
FOR APPROVAL OF A PURCHASED WATER : 2006S
ADJUSTMENT CLAUSE PURSUANT TO
N.J.A.C. 14:9-7.1, ET SEQ.

STIPULATION

Douglas R. Kleinfeld, Esq. (Kleinfeld & Kleinfeld, Esqs.),
Attorneys for Petitioner, Gordon's Corner Water Company;

Debra F. Robinson, Esq., Assistant Deputy Ratepayer Advocate for
Division of Ratepayer Advocate (Seema M. Singh, Esq.,
Director, Ratepayer Advocate);

Arlene E. Pasko and Anne Marie Shatto, Deputy Attorneys General,
for the Staff of the Board of Public Utilities (Zulima V.
Farber, Attorney General of New Jersey);

PROCEDURAL HISTORY

(1) Petitioner, Gordon's Corner Water Company (hereinafter referred to as "Petitioner" or "Company" , is a public utility of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities ("Board"), and franchised to serve portions of the Townships of Manalapan and Marlboro in Monmouth County, New Jersey

(2) On January 23, 2006, Petitioner filed a Petition with the Board, pursuant to N.J.A.C. 14:9-7.1, et seq., for approval of a purchased water adjustment clause "PWAC" to recover increased water purchased costs.

3 Petitioner obtains a significant portion of the water needed to meet its overall water supply needs through water purchase contracts with the Marlboro Township Municipal Utilities

Authority ("MTMUA" and United Water Matchaponix, Inc. "United" and a water allocation lease with the Township of Aberdeen.

(3) On December 9, 2005, the MTMUA notified Petitioner that it was increasing its rates for water sales to Petitioner, effective January 1, 2006; the MTMUA previously increased its rates to Petitioner, effective July 1, 2004. As a result of the MTMUA's current and prior increases, the rate payable by Petitioner for water purchases from the MTMUA is now \$3.2163 per thousand gallons

(4 The MTMUA purchases the water it supplies to Petitioner from Middlesex Water Company ("Middlesex"), and the increases in its rates to Petitioner are attributable to increases in Middlesex's rates. The increases in Middlesex's rates were approved by the Board by Orders dated December 8, 2005 in BPU Docket No. WR05050451 and May 27, 2004 in BPU Docket No. WR03110900.

5) Petitioner's last base rate case was filed with the Board on September 17, 2003 in BPU Docket No. WE03090714 and was resolved by means of a Stipulation, which was approved by the Office of Administrative Law pursuant to an Initial Decision dated April 30, 2004 and by the Board pursuant to its Order dated May 27, 2004.

(6) The Stipulation in the aforesaid base rate proceeding contained the requisite base data for future PWAC filings by Petitioner, and the foregoing data was used by Petitioner in developing the PWAC adjustment proposed in the present matter

(7) In accordance with paragraph 14 of the aforesaid Stipulation, it was stipulated that Petitioner's purchased water expense level was \$3,158,574.00, based upon Petitioner paying the

following rates, per thousand gallons, to its suppliers: \$2.93587 to the MTMUA \$2.55 to United; and \$1.17 to Aberdeen Township. The total volume of purchased water that was used in establishing Petitioner's base costs was 1,227,530 million gallons

Attached hereto as Exhibit C is a schedule entitled, "Schedule of Purchase Water Costs Effective January 1, 2006" reflecting Petitioner's total current purchased water costs based on the rates, per thousand gallons, payable to its suppliers effective January 1, 2006.

On January 31, 2006, the Board transferred this matter to the Office of Administrative Law as a contested case, pursuant to N.J.S.A. 52:14F-1 to 13 and N.J.S.A. 52:14 B-1 to 15. The matter was then assigned to the Honorable Douglas H. Hurd for hearings.

(10 A pre-hearing conference was subsequently held before the Honorable Douglas H. Hurd on April 27, 2006, by telephone, at which time dates for a public hearing in Petitioner's service area and evidentiary hearing were scheduled. A public hearing was held on June 20, 2006, at the Manalapan Township Municipal Building Manalapan Township, Monmouth County, New Jersey following publication of an appropriate public notice. No customers or members of the public appeared at the hearing.

11 In the course of this proceeding, Petitioner was served with, and responded to, discovery requests by the Division of the Ratepayer Advocate "Ratepayer Advocate" and the Board Staff "Staff" and the parties met and conferred by telephone on various occasions to discuss the matter. As a result of their review and analysis of Petitioner's exhibits and discovery

responses, as well as ongoing discussions during the pendency of the matter, the parties have reached a Stipulation and do hereby stipulate and agree as follows:

SETTLEMENT AGREEMENT

(12) Attached hereto, and made part hereof, is Exhibit A entitled, "Schedule of Increase Under Purchase Water Adjustment Clause", showing the derivation of the stipulated rate adjustment.

13 As reflected in Exhibit A, additional revenues in the amount of \$304,051.00 over present rate revenues are required to enable Petitioner to cover its increased purchased water costs

14 In order to recover the additional revenues specified in Exhibit A, an initial PWAC at the rate of \$0.18849 per thousand gallons is necessary

15 As further reflected in Exhibit A, this Stipulation includes only those deferred water purchase costs incurred from February 1, 2006 to August 15, 2006 and not costs incurred prior to the date the Petition was filed

(16) The additional revenues to which the parties have stipulated herein are necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers.

(17 Attached hereto, and made part hereof, as Exhibit B is a new tariff sheet conforming to this Stipulation and reflecting the new PWAC rate agreed upon by the parties. The new PWAC rate will become effective on such date as the Board shall direct.

(18 As a result of the rate adjustment stipulated herein, the quarterly bill for a typical customer with a 5/8-inch meter, and

average consumption of 28,500 gallons quarterly, will increase from \$131.87 to \$137.25, representing an increase of 4.1%.

19 Petitioner will file true-up schedules with the Board, in accordance with N.J.A.C. 14:9-7.3(c), within 45 days after the PWAC stipulated to herein has been in effect for one year.

20 In accordance with N.J.A.C. 14:9-7.4 (a), on receiving notice of the rate increases requested by Middlesex, Petitioner reviewed the basis of the proposed increases and coordinated with the MTMUA the action to be taken in opposing same.

The MTMUA intervened in both of the rate proceedings filed by Middlesex to oppose the proposed increases. As a result of its active participation in those matters, the 17.82% increase requested by Middlesex in Docket No. WR03110900 was reduced to 9.51%, and the 14.85% increase requested in Docket No. WR05050451 was reduced to 6.76% as to those rate schedules applicable to the MTMUA, (with no increase in Rate Schedule No. 7), while the rates charged other municipal customers, under different rate schedules, increased by greater percentages.

Since the MTMUA and Petitioner have similar interests with respect to rate increases requested by Middlesex, the MTMUA's intervention and active participation in the aforesaid rate proceedings ensured that Petitioner's interests were effectively represented as Petitioner is not a direct customer of Middlesex)

(21 Except as expressly set forth herein, agreement of the parties is for the limited purposes of this Stipulation only and is thus executed by them without prejudice to the positions asserted by each in this case and without prejudice to the positions which

the parties may choose to assert in future proceedings. The parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and that the Stipulation will avoid protracted and costly litigation of certain issues. The agreement itself is not in any way intended to restrict or bind any of parties hereto with respect to substantive positions they may choose to assert in any pending or future rate proceeding in or any other forum. In this agreement, therefore, the parties acknowledge that the Stipulation herein has been made exclusively for this proceeding before the OAL and Board.

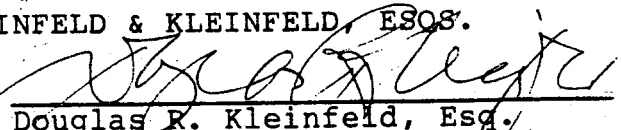
In the event of any modification, amendment or alteration of this Stipulation by the Board, the parties individually reserve the right to either deem the Stipulation void in toto (in which case the parties would revert to the status quo prior to the execution of this Stipulation, which in this matter would be the filing of testimony followed by commencement of hearings) or to consent to the modification(s) in writing.

21) This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument consisting of several counterparts.

Dated: July 10, 2006

KLEINFELD & KLEINFELD, ESQS.

By:


Douglas R. Kleinfeld, Esq.
Attorney for Petitioner
Gordon's Corner Water Company

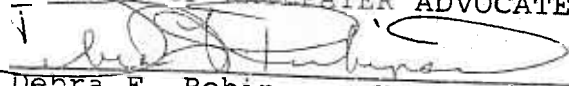
Dated:

July 11, 2006

Seema M. Singh, Esq.
Ratepayer Advocate

NJ DIVISION OF RATEPAYER ADVOCATE

By:



Debra F. Robinson, Esq.
Assistant Deputy Ratepayer
Advocate

Dated:

BOARD OF PUBLIC UTILITIES

Zulima V. Farber
Attorney General of New Jersey
Attorney for Staff of the
Board of Public Utilities

By:


Arlene E. Pasko
Deputy Attorney General

Dated:

Seema M. Singh, Esq.
Ratepayer Advocate

DIVISION OF RATEPAYER ADVOCATE

Debra F. Robinson, Esq.
Assistant Deputy Ratepayer
Advocate

Dated:

BOARD OF PUBLIC UTILITIES

7-12-06

Zulima V. Farber
Attorney General of New Jersey
Attorney for Staff of the
Board of Public Utilities

By:

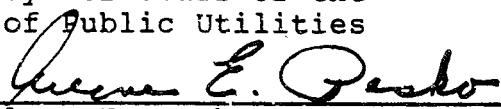

Arlene E. Pasko
Deputy Attorney General

EXHIBIT A

SCHEDULE OF INCREASE UNDER PURCHASE WATER ADJUSTMENT CLAUSE

MINIMUM CONTRACTUAL TAKE OR PAY COST AS DETERMINED IN LAST BASE RATE CASE	<u>COST</u>	<u>GALLONS PURCHASED</u>
	\$3,158,574	1,227,530
NEW COST OF PURCHASED WATER	\$3,321,432	1,227,530
INCREASE IN COST AND BASE CONSUMPTION AND REVENUE INCREASE BEFORE TAXES	\$162,858	0
DEFERRED PURCHASE WATER COSTS		
EFFECTIVE DATE OF PWAC AUGUST 15, 2006		
MONTHLY COSTS RECOVERED IN BASE RATES	\$263,215	
MONTHLY COST PRESENTLY INCURRED	\$276,786	
MONTHLY INCREASE	\$13,572	
DEFERRAL PERIOD - 6 1/2 MONTHS (FEB. 1ST - AUG. 15TH)	\$88,215	
RATE CASE COSTS		
TOTAL COST	\$20,000	
COMPANY SHARE	\$10,000	
AMORTIZATION BASED ON ONE YEAR LIFE OF RATES	<u>\$10,000</u>	
SUBTOTAL BEFORE REVENUE TAXES	\$261,073	
INCREASE FOR REVENUE TAXES (\$261,073/0.858648) - (\$261,073)	\$42,978	
TOTAL REVENUE	\$304,051	
BASE CONSUMPTION	1,613,052	
REQUIRED PWAC INCREASE PER 1,000 GALLONS	\$0.18849	
CURRENT PWAC PER 1,000 GALLONS	0	
PROPOSED PWAC INCREASE PER 1,000 GALLONS	\$0.18849	
2005 GROSS REVENUES	\$8,904,038	
PERCENTAGE INCREASE	3.41%	

EXHIBIT B

GORDON'S CORNER WATER COMPANY
B.P.U. NO.5-WATER

ORIGINAL SHEET NO. 40

**RATE SCHEDULE NO.1A
GENERAL METERED SERVICE**

PURCHASED WATER ADJUSTMENT (PWAC) CHARGE

A charge of \$ 0.18849 per thousand gallons for all water sales will be made to recover increases in the purchased water costs not included in the Consumption Charge.

DATE OF ISSUE: August 15, 2006

EFFECTIVE: August 15, 2006

ISSUED BY: GARY R. ERN, PRESIDENT
GORDON'S CORNER WATER COMPANY
P.O. BOX 145
MARLBORO, NJ 07746-0145

FILED PURSUANT TO ORDER OF THE
BOARD OF PUBLIC UTILITIES IN
DOCKET NO. WR06010048

EXHIBIT C

SCHEDULE OF PURCHASE WATER COSTS
EFFECTIVE JANUARY 1, 2006

<u>PURVEYOR</u>	<u>RATE</u> <u>PER 1,000 GALLONS</u>	<u>MINIMUM TAKE OR</u> <u>PAY AMOUNTS</u> <u>(MILLION GALLONS)</u>	<u>COST</u>
UNITED WATER MATCHAPONIX	\$2.55000	547,500	\$1,398,125
MARLBORO TWP MUA	\$3.21637	547,500	\$1,760,963
ABERDEEN TWP DIVERSION RIGHTS	\$1.24005	132,530	\$164,344
	TOTAL	1,227,530	\$3,321,432

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW
LIC UTILITIES
Quakerbridge Plaza, Building #9
Quakerbridge Road, PO Box 049
Trenton, New Jersey 08625-0049
(609) 588-6584

SOUTH

Date: 7/21/2006

Re: Initial Decisions for Receipt

Receipt of the following decisions from the Office of Administrative Law (as well as a copy of this form) is acknowledged as of the date indicated below:

OAL Docket No. PUC

Case Name

674-26

Gordon's Driveway Water Sm

Date: 7/28/06

Board of Public Utilities
2 Gateway Center
Newark, New Jersey 07102

Kenneth Y. Baker
Board of Public Utilities